

# Iowa's Adoption Subsidy Program

Information for Health and Human  
Services Appropriation Subcommittee  
February 11, 2004

# What is the purpose of the adoption subsidy program?

- The adoption subsidy program provides financial assistance and other supports to families who adopt special needs children that the state might otherwise not be able to place for adoption.

# Who is eligible for adoption subsidy in Iowa?

- Children with medically diagnosed disability that substantially limits one or more major life activities, requires professional treatment, assistance in self-care, or purchase of special equipment
- Children determined to have mental retardation
- Children diagnosed with psychiatric condition that impairs child's mental, intellectual or social functioning; and for which child requires professional services
- Children diagnosed with behavioral or emotional disorder characterized by inappropriate behavior that deviates substantially from behavior appropriate to the child's age or significantly interferes with child's intellectual, social or personal adjustment
- Caucasian children, if age 8 or over

# Adoption subsidy eligibility continued

- Minority children of any age, or if child's parents of different races\*
- Children that are members of sibling group of 3 or more who are placed in same adoptive home, or sibling group of 2 if one of children has special needs as defined above\*
- Children determined to be at risk of having mental retardation, emotional disability, or physical disability are eligible for special services only (not maintenance)
- \* Rule changes scheduled to go into effect March 10 would establish minimum age of 2 for minority children, and would eliminate eligibility for the non-special needs child in sibling groups of 2
- Note: Adoptive parent income can not be considered in determining a child and family's eligibility for the subsidy

# What benefits are available through the adoption subsidy program?

- Monthly maintenance payment up to the amount the child would receive in family foster care, including special care rates, through age 18 (or 21 if child has disability)
- Medicaid coverage for child's physical and mental health needs
- Child care, as required by child's special needs; family must apply for and access child care assistance program first if eligible (\*rule changes scheduled to go into effect March 10 would limit child care payment rates to those paid in child care assistance program, and would eliminate payment for child care if family received special care maintenance rate)

# Adoption Subsidy Benefits continued

- Supplies and equipment as required for child's special needs and unavailable through other resources
- Certain expenses not covered by Medicaid program
  - Additional premium to add child to family's health insurance coverage group
  - Payment for outpatient individual or family services from non-Medicaid provider in special situations
  - Medical transportation not covered by Medicaid
- Attorney fees and court costs to finalize the adoption (\*rule changes scheduled to go into effect March 10 would set maximum rates for attorney fees)
- Funeral benefits at amount allowed for foster care

# How many children are served through the adoption subsidy program?

<b>Time Period</b>	<b>Number of Finalized Adoptions</b>	<b>Average monthly # of subsidized adoptions</b>
FY 2001	704	4,301
FY 2002	794	5,134
FY 2003	1,030	5,547
FY 2004 Projection	1,100	6,126
FY 2005 Projection	1,050	7,055

# What's the profile of children receiving the adoption subsidy?

- Gender: 50% female, 50% male
- Age
  - 0 – 5 years: 20%
  - 6 – 11 years: 38%
  - 12 – 15 years: 27%
  - 16+: 14%
- Race/ethnicity
  - Caucasian: 69%
  - African American: 19%
  - Hispanic/Latino: 5%
  - Native American: 3%
  - Asian/Pacific Islander/Other: 3%



# How much does Iowa spend on the adoption subsidy program?

<b>Time Period</b>	<b>Maintenance</b>	<b>Child Care</b>	<b>Legal Fees</b>	<b>Other</b>	<b>Total</b>	<b>Average daily cost</b>
FY 2002	\$34.4 M	\$2.78 M	\$470,033	\$343,968	\$38.0 M	\$21.02
FY 2003	\$38.8 M	\$3.1 M	\$634,332	\$300,508	\$42.9 M	\$20.88
FY 2004 Projection	NA	NA	NA	NA	\$46.0 M	\$20.82
FY 2005 Projection	NA	NA	NA	NA	\$54.1 M	\$20.99